

## A.13.0

### County Medical Services (CMS) Hardship

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#### General

This section establishes procedures to be followed when an applicant applies for CMS benefits and has income in excess of 165% FPL.

- If the applicant's net income exceeds 165% FPL, the worker continues the eligibility process by evaluating for a CMS Hardship, if the applicant is otherwise eligible.
  - Otherwise eligible means the applicant meets all other requirements for no-cost CMS except, the applicants income exceeds 165% FPL. The CMS Hardship does not invalidate other denial reasons.
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## A.13.1

### CMS Income Eligibility Criteria

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**General**

A modification to the CMS Program was approved by the San Diego County Board of Supervisors on 05/13/08 (14). As a result, CMS Program benefits shall be certified under two separate eligibility categories.

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**A.  
Income of 0 to  
165% FPL**

No change in current practice. If eligible, applicants receive CMS services at no cost.

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**B.  
Income Over  
165% FPL**

1. Applicants whose monthly net non-exempt income is over 165% but not more than 350% FPL must complete a CMS Hardship application to determine if they are eligible for CMS with or without a share of cost.
2. Applicants who are being evaluated for a CMS Hardship are required to sign a Reimbursement Agreement (CMS-106) as a condition of CMS Hardship eligibility. The Informational Notice (CMS-109) must be given to the applicant along with the Reimbursement Agreement.

**Note:** If the CMS applicant fails to complete and sign a Hardship Application or sign the Reimbursement Agreement, the worker will deny the CMS application for failure to provide essential information.

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## A.13.2

### Analysis of Discretionary Income

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#### A. Definitions

1. Maximum Allowable Monthly Expense  
A reasonable level of expenses necessary for a person to cover necessary living expenses. The maximum limits (listed in the chart below) as set forth by the County, based upon cost-of-living studies.
  2. Non-Discretionary Expenses  
The amount necessary to pay for housing (including utilities), transportation, food, taxes, and miscellaneous personal expenses, which include telephone, clothing, personal care items and recurring household expenses. Non-Discretionary Expenses may also include court ordered payments towards child support and/or alimony, and payments on previously incurred medical debt.
    - a) Applicant's Actual Non-Discretionary Expenses  
Actual expenses incurred by an applicant
    - b) Applicant's Allowable Non-Discretionary Expenses  
The lesser amount of Applicant's Actual Non-Discretionary Expenses or Maximum Allowable Expense. Refer to Appendix A for list of Allowable Expenses and the associated dollar amounts.
  3. Share of Cost  
The amount that the CMS recipient must pay or is obligated to pay toward the cost of health care services each month
  4. Total Discretionary Income  
The amount of an applicant's income remaining after the Applicant's Total Allowable Non-Discretionary Expenses is subtracted from the applicant's gross monthly income.
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## A.13.3

### CMS Hardship For Individuals Over 165% FPL

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#### General

- A. If the applicant's net income is over 165% FPL but not over 350% FPL, the worker continues the eligibility process by evaluating for a CMS Hardship as long as the applicant meets all other eligibility requirements.
  - 1) The worker shall determine whether the applicant's monthly net non-exempt income is at or below 350% FPL.
    - a) If the applicant's monthly net non-exempt income is in excess of 350% FPL, deny the case for excess income.
    - b) If the applicant's monthly net non-exempt income is 350% FPL or less, the applicant is eligible to apply for a CMS Hardship. The CMS case is to remain in a pending status until the outcome of the CMS Hardship evaluation has been determined.
  - 2) The worker shall provide to each applicant who has been determined eligible to apply for a CMS Hardship, a CMS Hardship Packet::
    - a) CMS Hardship Application (CMS-01)
    - b) Agreement to Reimburse the County of San Diego (CMS106)
    - c) CMS Informational Notice (CMS-109)
  - 3) The applicant will be given the opportunity to complete and return the completed CMS-01 and CMS-106 during the intake interview to facilitate the CMS Hardship evaluation.
    - a) If the applicant returns the completed CMS-01 and CMS-106 during the intake interview, the worker shall continue with the CMS Hardship evaluation.
    - b) If the applicant states they would like additional time to consider the CMS Hardship opportunity, the CMS-01 and/or CMS-106 shall be considered a pending verification(s) and the applicant shall be given 10 calendar days in which to return the completed forms and any supporting documentation. The CMS-01 and/or CMS-106 shall be included on the list of pending verifications provided to the applicant by the worker.
    - c) If the applicant does not return the CMS-01 and/or CMS-106 within the initial 10 calendar day timeframe, the applicant shall be given an additional 10 calendar days in which to

return the completed forms and any supporting documentation. The CMS-01 and/or CMS-106 shall be included on the list of pending verifications provided to the applicant by the worker.

- d) If the applicant returns the CMS-01 and CMS-106, but does not return required supporting documentation by the deadline outlined in Article A 13.3.A.3(C) above, the worker shall calculate the hardship budget without giving allowances for any items missing documentation.
    - (1) Documentation is required for:
      - (a) Rent
      - (b) Utilities
      - (c) Transportation
      - (d) Taxes
      - (e) Court ordered support and payments
      - (f) Payments on previously incurred medical debt.
    - (2) Documentation is not required for:
      - (a) Food
      - (b) Miscellaneous
  - 4) All eligibility staff are required to evaluate for good cause if the applicant hasn't returned the required documents/verifications by the end of the second 10 day period.
  - 5) All documentation related to CMS Hardship shall be maintained in the case record.
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## A.13.4

### Changes to CMS Share of Cost (SOC)

#### General

Changes in income may require an adjustment to the monthly SOC. The SOC may need to be increased or decreased according to income level. See MPG Article 12, Section 1.3.4

#### A. Share of Cost Increase

When a change in income or other circumstances is reported **before** the 15<sup>th</sup> of the month which results in an increase to the SOC, the worker will follow the actions in the table below.

Step	Action
1	Request all verifications needed to accurately calculate the change by sending the Informing Letter (CMS-34).
2	Recompute the CMS budget and the CMS Hardship budget once all verifications are received.
3	Increase the SOC effective the following month that the change was reported and send the CMS-39S/CMS-39S (SPAN) notifying the individual of the change. The CMS-39S NOA is part of the case record and must be scanned into the CMS IT system.
4	Notify the Administrative Services Organization (ASO) of SOC change via Registration Information form (CMS-4). The CMS-4 must include the new SOC amount and the effective date. The CMS-4 is part of the case record and must be scanned into the CMS IT system.
5	Note in the case comments the new SOC amount and the effective date.

When a change in income or other circumstances is reported **after** the 15<sup>th</sup> of the month which results in an increase to the SOC, the worker will follow the actions in the table below.

Step	Action
1	Request all verifications needed by sending the Informing Letter (CMS-34).
2	Recompute the CMS budget and the CMS Hardship budget when all verifications are received.
3	Increase the SOC for the second month following the month in which the change was reported and send the CMS-39S/CMS-39S (SPAN) notifying the individual of the change. The CMS-39S NOA is part of the case record and must be

	scanned into the CMS IT system.
4	Notify the ASO of SOC change via CMS-4. The CMS-4 must include the new SOC amount and the effective date. The CMS-4 is part of the case record and must be scanned into the CMS IT system.
5	Note in the case comments the new SOC amount and the effective date.

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**B.  
Share of Cost  
Decrease**

When a change in income or other circumstances is reported which results in a decrease to the SOC and the change was reported within 30 calendar days of the change, the worker will follow the actions in the table below and change the SOC as follows:

Step	Action
1	Request all verifications needed using the CMS-34 Informing Letter.
2	Recompute the CMS budget and the CMS Hardship budget when all verifications are received.
3	Decrease the SOC for the month that the change was occurred and send the CMS-39S/CMS-39S (SPAN) notifying the individual of the change. The CMS-39S NOA
4	Notify the Administrative Services Organization (ASO) of SOC change via Registration Information form (CMS-4). The CMS-4 must include the new SOC amount and the
5	Note in the comment section the new SOC amount and the effective date.

If the change is not reported within 30 calendar days of the change, the worker will follow the actions in the table below.

	39S/CMS-39S (SPAN) notifying the individual of the change. The CMS-39S NOA is part of the case record and must be scanned into the CMS IT system.
4	Do not change the SOC amount for the month reported unless the beneficiary had good cause for failure to report within 30 calendar days of the change.
5	Notify ASO of change via CMS-4. The CMS-4 must include the new SOC amount and the effective date. The CMS-4 is part of the case record and must be scanned into the CMS IT system.
6	Note in the comment section the reason for not changing the SOC in the current month and the new SOC amount and the effective date.

**NOTE:** Changes to the budget which causes a decrease to the monthly SOC will change the SOC in the current month if the change is reported within 30 calendar days of the change. The worker must send the CMS-39S/CMS-39S (SPAN) notifying the individual of the change.

MPG Letter #662 (02/09)

**C.  
Married  
Couples with  
a SOC**

**A. BOTH SPOUSES ARE ON CMS WITH A SOC:**

- Both spouses must read and sign the SOC Process Information Sheet (CMS-111) which informs them of their SOC payment responsibilities.
- The SOC amount shall be applied to the couple.

The worker must take the following steps to link and apply the SOC amount to the married couple in IDX.

Step	Action
1	Complete Registration Information form (CMS-4) and state the SOC amount for the CFBU. Note on the "Comment Line" that this is a married couple with a SOC and both spouses Social Security Numbers.  <u>Example 1:</u> Married Couple both on CMS w/SOC Identified; SSN xxx-xx-xxxx and SSN xxx-xx-xxxx;
2	Scan CMS-4 into both spouse's case records in the CMS IT System.
3	Send the completed CMS-4 to AmeriChoice at mail stop 0557-B.

**B. IF ONE SPOUSE IS ON CMS WITH A SOC AND THE OTHER SPOUSE IS ON MEDI-CAL WITH A SOC:**

- Both spouses must read and sign the SOC Process Information Sheet (CMS-111) which informs them of their SOC payment responsibilities and gives the County authorization to add the Medi-Cal spouse's information to IDX for billing if needed.
- The entire CMS SOC amount shall be applied to the CMS spouse.
- The CMS individual shall be advised that monies spent to meet the Medi-Cal spouse's SOC may be applied to reduce the CMS SOC amount using CMS rates, as long as the services are within CMS scope of services.
- It is the CMS patient's responsibility to provide the County (ASO) with an itemized statement and proof of the amount paid towards the MC SOC amount along with their CMS SOC payment statement.
- The ASO has been instructed to forward all statements received with Medi-Cal SOC payments to HCPA/HCA. HCPA/HCA will review MEDS for verification of Medi-Cal; SOC met and send the statement back to ASO for processing.

The worker **must** take the following steps to identify that this is a married couple, one on CMS with a SOC and the other on Medi-Cal with a SOC, in order for the paid Medi-Cal SOC amount to be applied to the CMS spouse in IDX.

Step	Action
1	Verify that the Share of Cost Process Information Sheet (CMS-111) has been signed by the applicant and the spouse.
2	Complete Registration Information form (CMS-4) and state the SOC amount for the CFBU. Note on the comment Line "married couple with a CMS and Medi-Cal SOC".  <u>Example:</u> Married Couple w/ CMS & Medi-Cal SOC identified; Spouse on Medi-Cal.
3	Scan CMS-4 into the CMS IT System.
4	Send the completed CMS-4 to AmeriChoice at mail stop 0557-B.

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**D.  
Verifications  
not received**

When verifications are not received within the first 10 days the worker sends another CMS-34 giving the beneficiary an additional 10 days to comply. If the verifications are not received after the extended 10

days, there are no changes to the CMS budget. The worker must note in case comments no verifications received and no changes made and the SOC remains the same.

MPG Letter #662 (02/09)

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## APPENDIX 13A

### County Medical Services (CMS) Hardship Evaluation

**CMS Hardship Application** The following instructions are to be utilized to process CMS Hardship applications.

**Step 1** Determine if the Applicant's monthly net non-exempt income is at or below 350% FPL. Refer to Article A, Section 5, Appendix C for CMS Maintenance Need Levels (MNL).

Applicant's monthly net non-	
350% FPL	

If Applicant's monthly net non-exempt income is at or less than 350%, go to Step 2.

**Step 2** Determine Total Monthly Allowable Non-Discretionary Expenses (using chart below):

Non-Discretionary Expenses	(A) Applicant's Actual Non-Discretionary Expenses	(B) Maximum Allowable Expense (eff 7/1/09)		Applicant's Allowable Expenses (Lesser of A or B)
		for 1	or for 2	
Housing/Utilities		\$762	\$1,025	
Transportation		\$408	\$548	
Food		\$221	\$298	
Miscellaneous (includes clothing, personal)		\$98	\$132	
Allowable Out-of -Pocket Health Care Expense Allowance		\$156	\$210	
Taxes (state and federal taxes deducted from the applicant's earnings, SDI, Social Security, and Medicare.)		Actual		
Court Ordered Payments (e.g., current child support and alimony)		Actual		
Payments on Prior Medical Debt		Actual		
Applicant's Total Monthly Allowable Non-Discretionary Expenses Enter amount in item B below.				

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**C.**  
**Step 3**

Calculation of Total Monthly Discretionary Income	
A. Total Gross Monthly Income	
- B. Total Monthly Allowable Non-Discretionary Expenses	-
= C. Total Monthly Available Income	=

Subtract Line B (applicant's Total Monthly Allowable Non-Discretionary Expenses) from Line A (applicant's Total Gross Monthly Income).

The remaining amount (Line C) shall be considered the applicant's Total Monthly Available Income.

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**D.**  
**Step 4**

Determine Applicant's Monthly Share of Cost.

The Applicant's Total Monthly Available Income (Line C above) is the Applicant's Monthly Share of Cost.

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